GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:4089
ANSWERED ON:09.08.2002
COTTON PRICES
YEMPARALA VENKATESWARA RAO

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government are aware that cotton growers are not able to get the right price for the low grade cotton;

(b) if so, whether the Government propose to intervene in the matter and make the Cotton Corporation of India to purchase the low grade cotton from farmers; and

(c) if so, the time by which a decision will be taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES SHRI BASANAGOUDA R. PATIL (YATNAL)

(a) To protect the interests of the cotton growers, Government announces Minimum Support Price (MSP) for kapas (seed cotton). The Cotton Corporation of India Ltd. (CCI) is mandated to undertake support price operations in kapas (seed cotton) whenever the market price of kapas touches the MSP and purchases kapas, without any quantitative limit, in all cotton growing states except in Maharashtra where the Maharashtra Raw Cotton (Procurement, Processing and Marketing) Act, 1971 is in operation. During the current cotton year 2001-2002 (Oct.-Sept.), CCI has purchased kapas equivalent to lint cotton of around 9 lakh bales (of 170 kg. each) under support price operations.

(b)&(c) MSP is fixed for kapas of Fair Average Quality (FAQ). However, to help the cotton growers, CCI has purchased kapas not only of FAQ grade but also three stages below FAQ of saleable grade, by making suitable deduction under the support price operations.